

**LEGISLATIVE SERVICES AGENCY**  
**OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**  
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**ADMINISTRATIVE RULE**  
**FISCAL IMPACT STATEMENT**

**PROPOSED RULE:** 95-277  
**STATE AGENCY:** Indiana Gaming Commission

**DATE RECEIVED:** Mar 14 97  
**DATE PREPARED:** Apr 24 97

**FISCAL ANALYST:** Kristin Nahill Breen  
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**Digest of Proposed Rule:** This proposed rule adds 68 IAC 1-14 to establish the manner in which riverboat licensees will be assessed for the cost of officers and other personnel assigned to the gaming enforcement section of the Indiana State Police Department.

**Governmental Entities:**

**State:** There is no state fiscal impact and there are no unfunded mandates placed upon any state agency by this proposed rule.

**Local:** There is no local fiscal impact and there are no unfunded mandates placed upon any political subdivision by this proposed rule.

**Regulated Entities:** This proposed rule establishes the manner in which riverboat licensees are assessed for the costs of officers assigned to riverboats and other State Police Department personnel assigned to gaming activities. The costs include both annual costs and one-time costs. The annual costs include salary, fringe benefits, overtime pay, incentive payments paid to personnel assigned to riverboats, travel, training, credit checks on riverboat employees, and vehicle maintenance. The one-time costs are for uniforms, vehicles, equipment, recruit school for the troopers, and the initial incentive payment paid to personnel assigned to riverboats.

Eight troopers and one squad sergeant are assigned to each riverboat. Two first sergeants are assigned to supervise the troopers on the riverboats, one for the Lake Michigan riverboats and one for the Ohio River riverboats. Two secretaries provide clerical work for the troopers on the riverboats. In addition, 22 officers and civilian personnel are assigned to gaming activities at the State Police Department's main office. These personnel include a lieutenant, a first sergeant, three sergeants, 12 troopers, and five secretaries. Costs of the employees assigned to riverboats are assessed to the riverboat on which each employee is assigned. Costs of other personnel are assessed on a pro-rata basis.

It is estimated that total annual costs assessed to each riverboat will equal approximately \$470,000 the first year. Annual costs will increase each year with increases in salary. It is estimated that one-time costs assessed to each riverboat will equal approximately \$375,000. These estimates are based on ten riverboats in operation. Actual costs will vary depending on how many troopers are assigned to a riverboat at a given time, if additional or replacement equipment is needed, the actual amount of overtime worked, and the actual amount of travel completed.

The regulated entities affected by this rule include ten authorized riverboats in the state. Under current law, eleven riverboat licenses may be awarded, including five on the Ohio River, five on Lake Michigan, and one on Patoka Lake. According to the Indiana Gaming Commission, the U.S. Army Corps of Engineers will not license a riverboat for Patoka Lake, so that license is nonfunctional.

Currently, six riverboats are in operation in the following locations: one in Evansville, Vanderburgh County; two in Gary and one in Hammond, Lake County; one in Rising Sun, Ohio County; and one in Lawrenceburg, Dearborn County. Three riverboat operators have been granted certificates of suitability to operate riverboats in the following locations: one in East Chicago, Lake County; one in Michigan City, LaPorte County; and one in Bridgeport, Harrison County. The East Chicago riverboat is expected to become operational by April 1997. The Michigan City riverboat is expected to begin operations by summer 1997. It is not known when the Harrison County riverboat will begin operations. The tenth riverboat owner's license has not yet been issued.

**Information Sources:** Les Miller and Thea Mittendorf, Indiana State Police Department, 232-8317; Kay Fleming, Indiana Gaming Commission, 233-0046.